

business goes bust isn't necessarily frowned upon."

Unfortunately, the administration has so far gotten the press to focus on the least important question about Mr. Bush's business dealings: his failure to obey the law by promptly reporting his insider stock sales. It's true that Mr. Bush's story about that failure has suddenly changed, from "the dog ate my homework" to "my lawyer ate my homework—four times." But the administration hopes that a narrow focus on the reporting lapses will divert attention from the larger point: Mr. Bush profited personally from aggressive accounting identical to the recent scams that have shocked the nation.

In 1986, one would have had to consider Mr. Bush a failed businessman. He had run through millions of dollars of other people's money, with nothing to show for it but a company losing money and heavily burdened with debt. But he was rescued from failure when Harken Energy bought his company at an astonishingly high price. There is no question that Harken was basically paying for Mr. Bush's connections.

Despite these connections, Harken did badly. But for a time it concealed its failure—sustaining its stock price, as it turned out, just long enough for Mr. Bush to sell most of his stake at a large profit—with an accounting trick identical to one of the main ploys used by Enron a decade later. (Yes, Arthur Andersen was the accountant.) As I explained in my previous column, the ploy works as follows: corporate insiders create a front organization that seems independent but is really under their control. This front buys some of the firm's assets at unrealistically high prices, creating a phantom profit that inflates the stock price, allowing the executives to cash in their stock.

That's exactly what happened at Harken. A group of insiders, using money borrowed from Harken itself, paid an exorbitant price for a Harken subsidiary, Aloha Petroleum. That created a \$10 million phantom profit, which hid three-quarters of the company's losses in 1989. White House aides have played down the significance of this maneuver, saying \$10 million isn't much, compared with recent scandals. Indeed, it's a small fraction of the apparent profits Halliburton created through a sudden change in accounting procedures during Dick Cheney's tenure as chief executive. But for Harken's stock price—and hence for Mr. Bush's personal wealth—this accounting trickery made all the difference.

Oh, the Harken's fake profits were several dozen times as large as the Whitewater land deal—though only about one-seventh the cost of the Whitewater investigation.

Mr. Bush was on the company's audit committee, as well as on a special restructuring committee; back in 1994, another member of both committees, E. Stuart Watson, assured reporters that he and Mr. Bush were constantly made aware of the company's finances. If Mr. Bush didn't know about the Aloha maneuver, he was a very negligent director.

In any case, Mr. Bush certainly found out what his company had been up to when the Securities and Exchange Commission ordered it to restate its earnings. So he can't really be shocked over recent corporate scams. His own company pulled exactly the same tricks, to the considerable benefit. Of course, what really made Mr. Bush a rich man was the investment of his proceeds from Harken in the Texas Rangers—a step that is another, equally strange story.

The point is the contrast between image and reality. Mr. Bush portrays himself as a regular guy, someone ordinary Americans can identify with. But his personal fortune was built on privilege and insider dealings—and after his Harken sale, on large-scale corporate welfare. Some people have it easy.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. After listening to several 5-minute special order speeches, the Chair would remind all Members that, although remarks in debate may include criticism of the President on matters of policy or politics, remarks in debate may not descend to personalities by alluding to unethical behavior on the part of the President.

FOX GUARDING THE CHICKEN COOP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEWIS) is recognized for 5 minutes.

Mr. LEWIS of Georgia. Mr. Speaker, I come to the floor tonight dismayed, disillusioned and disappointed. What is happening in corporate America? What has become of our corporate leaders? This is a simple issue of right and wrong, good and evil, how fraud, lying and cheating have become part of our corporate culture. We must ask ourselves, How did this happen? What gave birth to this period of corporate greed and scandal?

It all started with the corporate crusade against big government. Big government was making big business file too many reports. Big government was spending too much time making sure that big business was following the law, so big business asked their friends in Congress to do something about it.

Thanks to Republican attacks against big government, these CEOs and board of directors are acting with little, if any, government regulation. They have been lying to investors, lying to workers, and lying to the Federal Government. And they have been getting away with it.

While corporate America has been making out like bandits, hard-working men and women are losing their jobs, their retirement, and losing their children's college funds. The majority party in the White House has created a climate in which Enron, WorldCom, and Tyco could happen. Instead of having the SEC look over corporate books, Republicans have had the SEC look the other way.

My colleagues, so shall thee sow, so shall thee reap.

But this travesty is not just about Global Crossing, WorldCom, Enron, Martha Stewart, Tyco, and Merck. In fact, it is not just about the world of business. It is bigger than that.

Look at the Republican environmental record. Look at their record on worker safety. Our Interior Department is fighting tooth and nail to drill for oil and dig for coal on our pristine public lands. The EPA is leading the fight for more air pollution. OSHA is making fewer and fewer trips to the workplace. And the SEC has been leading the fight to let business just go about its business.

Time and time again, Republicans have declared that the only regulation is self-regulation or no regulation. Even today, President Bush declared that we must "depend on the conscience of American business leaders."

Republicans have left the fox in charge of the chicken coop; and now they are shocked, they are absolutely shocked to find a fat fox and an empty chicken coop.

Mr. President, actions speak louder than words. Today's moral indignation rings as falsely as an Enron accounting report.

Today, President Bush told the American people that he wanted to hire 100 new staffers at the SEC to make corporations obey the law. President Bush did not tell the American people that just last year he proposed getting rid of 57 SEC workers. This is what the Republicans were doing before the American people started paying attention. This is what the Republicans were doing when no one was watching.

We do not need strong words and empty promises. We need strong regulation and strict enforcement. It is time to get tough on crime, all crime, and not just the folks who cannot afford to make a campaign contribution.

When someone gets caught dealing a thousand dollars' worth of drugs, they lock you up, lock you away, and take almost everything you own. We need the same standards for CEOs who steal millions of dollars from their companies. We need the same standards for corporate leaders who lie, cheat and steal from their employees and their shareholders.

Mr. Speaker, it is time to get serious about corporate crime. It is time to put some teeth back into securities laws and some power back into the SEC. Do not just talk the talk; walk the walk. Pass the laws. Protect the folks who are being dumped on and ripped off. We owe our people no less. It is our mission, our mandate, and our moral obligation, our moral responsibility.

HAS CAPITALISM FAILED AGAIN?

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Texas (Mr. PAUL) is recognized for 60 minutes as the designee of the majority leader.

Mr. PAUL. Mr. Speaker, the question I want to address today is: Has capitalism failed again?

It is now commonplace and politically correct to blame what is referred to as the excesses of capitalism for the economic problems that we face, and especially for the Wall Street fraud that dominates the business news. Politicians are having a field day demagoguing the issue while, of course, failing to address the fraud and deceit found in the budgetary shenanigans of the Federal Government for which they are directly responsible. Instead, it gives the Keynesian crowd that runs

the show a chance to attack free markets and ignore the issue of sound money.

So once again we hear the chant: Capitalism has failed; we need more government controls over the entire financial markets. No one asked why the billions that have been spent and thousand of pages of regulations that have been written since the last attack on capitalism in the 1930s did not prevent the fraud and deception of the Enrons, the WorldComs, and the Global Crossings. That failure surely could not have come from a dearth of regulations.

What is distinctly absent is any mention that all financial bubbles are saturated with excesses in hype, speculation, depth, greed, fraud, gross errors in investment judgment, carelessness on the part of the analysts and investors, huge paper profits, conviction that a new-era economy has arrived, and above all else, pie-in-the-sky expectations.

□ 1800

When the bubble is inflating, there are no complaints. When it bursts, the blame game begins. This is especially true in the age of victimization and is done on a grand scale. It quickly becomes a philosophic, partisan, class, generational and even a racial issue. While avoiding the real cause, all the fingerpointing makes it difficult to resolve the crisis and further undermines the principles upon which freedom and prosperity rests. Nixon was right once, when he declared we are all Keynesians now. All of Washington is in sync in declaring that too much capitalism has brought us to where we are today. The only decision now before the central planners in Washington is whose special interest will continue to benefit from the coming pretense at reform. The various special interests will be lobbying heavily, like the Wall Street investors, the corporations, the military-industrial complex, the banks, the workers, the unions, the farmers, the politicians and who knows who else, but what is not discussed is the actual cause and perpetration of the excesses now unraveling at a frantic pace. This same response occurred in the 1930s in the United States as our policymakers responded to very similar excesses that developed and collapsed in 1929. Because of the failure to understand the problem then, the Depression was prolonged. These mistakes allowed our current problems to develop to a much greater degree. Like the failure to come to grips with the cause of the 1980s bubble, Japan's economy continued to linger at no-growth and recession level, with their stock market at approximately one fourth of its peak 13 years ago.

If we are not careful, and so far we have not been, we will make the same errors that will prevent the correction needed before economic growth can be resumed.

In the 1930s it was quite popular to condemn the greed of capitalism, the

gold standard, lack of regulation, and no government insurance on bank deposits for the disaster. Businessmen became the scapegoat. Changes were made as a result and the welfare warfare state was institutionalized. Easy credit became the holy grail of monetary policy, especially under Alan Greenspan, the ultimate maestro.

Today, despite the presumed protection from these Government programs built into the system, we find ourselves in a bigger mess than ever before. The bubble is bigger, the boom lasted longer, and the gold price has been deliberately undermined as an economic signal. Monetary inflation continues at a rate never seen before in a frantic effort to prop up stock prices and continue the housing bubble, while avoiding the consequences that inevitably come from easy credit.

This is all done because we are unwilling to acknowledge that current policy is only setting the stage for a huge drop in the value of the dollar. Everyone fears it, but no one wants to deal with it. Out of ignorance as well as disapproval for the natural restraints placed on market excesses that capitalism and sound markets impose, capitalism is not only rejected, it is blamed for all problems we face. If this fallacy is not corrected and capitalism is even further undermined, the prosperity that the free market generates will be destroyed.

Corruption and fraud in the accounting practices of many companies are coming to light. There are those who would have us believe this is an integral part of free market capitalism. If we did have free market capitalism, there would be no guarantees that some fraud would not occur. When it did, it would be dealt with by local law enforcement authorities, not by the politicians in Washington who had their chance to prevent such problems but choose instead to politicize the issue while using the opportunity to promote more Keynesian, useless regulations.

Capitalism should not be condemned since we have not had capitalism. A system of capitalism presumes sound money, not fiat money manipulated by a central bank. Capitalism cherishes voluntary contracts and interest rates that are determined by savings, not credit creation by a central bank. It is not capitalism when the system is plagued with incomprehensible rules regarding mergers, acquisitions, stock sales, wage controls, price controls, protectionism, corporate subsidies, international management of trade, complex and punishing corporate taxes, privileged Government contracts to the military-industrial complex, a foreign policy controlled by corporate interests and overseas investments; central mismanagement of farming, education, medicine, insurance, banking and welfare. This is not capitalism.

To condemn free market capitalism because of anything going on today makes no sense whatsoever. There is

no evidence that capitalism exists today. We are deeply involved in an interventionist, planned economy that allows major benefits to accrue to the politically connected of both political spectrums. One may condemn the fraud in the current system, but it must be called its proper name, Keynesian, inflationism, interventionism, and corporatism.

What is not discussed is that the current crop of bankruptcies reveals that the blatant distortions and lies emanating from years of speculative orgy were predictable.

First, Congress should be investigating the Federal Government's fraud and deception in accounting, reporting future obligations such as Social Security and how the monetary system destroys wealth. Those problems are bigger than anything in the corporate world and are the responsibility of the Congress. Besides, it is the standard set by the Government and the monetary system it operates that are the major contributing causes to all that is wrong on Wall Street today.

When fraud does exist, it is a State matter, not a Federal one, and State authorities can enforce these laws without any help from Congress.

Second, we do know why financial bubbles occur and we know from history that they are routinely associated with speculation, excessive debt, wild promises, greed, lying and cheating. These problems were described by quite a few observers as the problems were developing in the 1990s, but the warnings were ignored, for one reason; everybody was making a killing and no one cared, and those who were reminded of history were reassured by the Fed chairman that, this time, a new economic era had arrived and not to worry. Productivity increases, it was said, could explain it all.

But now we know that is just not so. Speculative bubbles and all that we have been witnessing are a consequence of huge amounts of easy credit, created out of thin air by the Federal Reserve. We have had essentially no savings, which is one of the most significant driving forces in capitalism. The illusion created by low interest rates perpetuates the bubble and all the bad stuff that goes along with it. And that is not a fault of capitalism. We are dealing with a system of inflationism and interventionism that always produces a bubble economy that must end badly.

So far, the assessment made by the administration, the Congress, and the Fed bodes badly for our economic future. All they offer is more of the same, which cannot possibly help. All it will do is drive us closer to national bankruptcy, a sharply lower dollar and a lower standard of living for most Americans, as well as less freedoms for everyone.

This is a bad scenario that need not happen. But preserving our system is impossible if the critics are allowed to blame capitalism and sound monetary

policy is rejected. More spending, more debt, more easy money, more distortion of interest rates, more regulations on everything, more foreign meddling, will soon force us to the very uncomfortable position of deciding the fate of our entire political system.

If we were to choose freedom and capitalism, we would restore our dollar to a commodity or a gold standard. Federal spending would be reduced; income taxes would be lowered and taxes would be removed from savings, dividends and capital gains; regulations would be reduced; special interest subsidies would be stopped and no protectionist measures would be permitted; our foreign policy would change and we would bring our troops home.

We cannot depend on government to restore trust to the markets. Only trustworthy people can do that. Actually, the lack of trust in Wall Street executives is healthy, because it is deserved and prompts caution. The same lack of trust in the politicians, the budgetary process, and the monetary system would serve as a healthy incentive for the reforms in government we need.

Markets regulate better than governments can. Depending on government regulations to protect us significantly contributes to the bubble mentality. These moves would produce the climate for releasing the creative energy necessary to simply serve consumers, which is what capitalism is all about.

The system that inevitably breeds corporate government cronyism that created our currently ongoing disaster would end. Capitalism did not give us this crisis of confidence now existing in the corporate world. The lack of free markets and sound money did. Congress does have a role to play, but it is not proactive. Congress' job is to get out of the way.

IS AMERICA A POLICE STATE

Another subject, Mr. Speaker, I want to address today, is is America a police state? Most Americans believe we live in dangerous times, and I must agree. Today I want to talk about how I see those dangers and what Congress ought to do about them.

Of course, the Monday-morning quarterbacks are now explaining with political overtones what we should have done to prevent the 9/11 tragedy. Unfortunately, in doing so, foreign policy changes are never considered.

I have for more than 2 decades been severely critical of our post-World War II foreign policy. I have perceived it to be not in our best interests and have believed that it presented a serious danger to our security.

For the record, in January of 2000 I said on this floor, "Our commercial interests in foreign policy are no longer separate. As bad as it is that average Americans are forced to subsidize such a system, we additionally are placed in greater danger because of our arrogant policy of bombing nations that do not submit to our wishes. This generates hatred directed toward America and

exposes us to a greater threat of terrorism, since this is the only vehicle our victims can use to retaliate against a powerful military state. The cost in terms of lost liberties and unnecessary exposure to terrorism is difficult to assess, but in time it will become apparent to all of us that foreign interventionism is of no benefit to American citizens. Instead, it is a threat to our liberties."

Again, let me remind you, these were statements I made on the House floor in January of the year 2000. Unfortunately, my greatest fears and warnings have been borne out.

I believe my concerns are as relevant today as they were then. We should move with caution in this post-9/11 period so that we do not make our problems worse overseas while further undermining our liberties at home.

So far, our post-9/11 policies have challenged our rule of law here at home and our efforts against the al Qaeda have essentially come up empty-handed. The best we can tell now, instead of being in one place, the members of the al Qaeda are scattered around the world, with more of them in allied Pakistan than in Afghanistan. Our efforts to find our enemies have put the CIA in 80 different countries. The question that someday we must answer is whether we can catch them faster than we generate them. So far, it appears we are losing.

As evidence mounts that we have achieved little in reducing the terrorist threat, more diversionary tactics will be used. The big one will be to blame Saddam Hussein for everything and initiate a major war against Iraq, which will only generate even more hatred toward America from the Muslim world.

But, Mr. Speaker, my subject today is to discuss whether America is a police state. I am sure the large majority of Americans would answer this in the negative. Most would associate military patrols, martial law and summary executions with a police state, something obviously not present in our everyday activities. However, those knowledgeable with Ruby Ridge, Mount Carmel and other such incidents may have a different opinion.

The principal tool for sustaining a police state, even the most militant, is always economic punishment, by denying such things as jobs or a place to live, levying fines or imprisonment. The military is more often only used in the transition phase to a totalitarian state. Maintenance for long periods is usually accomplished through economic controls on commercial transactions, the use of all property and political dissent. Peaceful control through these efforts can be achieved without storm troopers on our street corners. Terror or fear is used to achieve complacency and obedience, especially when the people are deluded into believing they are still a free people.

□ 1815

The changes, they are assured, will be minimal, short-lived and necessary,

such as those that occur in times of declared war. Under those conditions, most citizens believe that once the war is won, the restrictions on their liberties will be reversed. For the most part, however, after a declared war is over, the return to normalcy is never complete. In an undeclared war, without a precise enemy and, therefore, no precise ending, returning to normalcy can prove illusory.

We have just concluded a century of war, declared and undeclared, while at the same time responding to public outcries for more economic equality. The question as a result of these policies is, are we already living in a police state? If we are, what are we going to do about it? If we are not, we need to know if there is any danger that we are moving in that direction.

Most police states, surprisingly, come about through the democratic process with majority support. During a crisis, the rights of individuals and the minority are more easily trampled, which is more likely to condition a nation to become a police state than a military coup. Promised benefits initially seem to exceed the cost in dollars or lost freedom. When the people face terrorism or great fear from whatever source, the tendency to demand economic and physical security over liberty and self-reliance proves irresistible.

The masses are easily led to believe that security and liberty are mutually exclusive and demand for security far exceeds that for liberty. Once it is discovered that the desire for both economic and physical security that prompted the sacrifice of liberty which inevitably led to the loss of prosperity and no real safety, it is too late. Reversing the trend from authoritarian rule toward a freer society becomes very difficult, takes a long time, and entails much suffering. Although dissolution of the Soviet empire was relatively nonviolent at the end, millions suffered from police suppression and economic deprivation in the decades prior to 1989.

But what about here in the United States? With respect to a police state, where are we and where are we going? Let me make a few observations. Our government already keeps close tabs on just about everything we do and requires official permission for nearly all of our activities. One might take a look at our capital for any evidence of a police state. We see barricades, metal detectors, police, the military at times, dogs, ID badges required for every move, vehicles checked at airports and throughout the capital. People are totally disarmed except for the police and the criminals but, worse yet, surveillance cameras in Washington are everywhere to ensure our safety. The terrorist attacks only provided the cover for the do-gooders who had been planning for a long time before last summer to monitor us for our own good. Cameras are used to spy on our drug habits, on our kids at school, on

subway travelers, and on visitors to every government building or park. There is not much evidence of an open society in Washington, D.C., yet most folks do not complain. Anything goes if it is for government-provided safety and security.

If this huge amount of information and technology is placed in the hands of the government to catch the bad guys, one naturally asks, what is the big deal? But it should be a big deal, because it eliminates the enjoyment of privacy that a free society holds dear. The personal information of law-abiding citizens can be used for reasons other than safety, such as political. Like gun control, people control hurts law-abiding citizens much more than the lawbreakers. Social Security numbers are used to monitor our daily activities. The numbers are given to us at birth and then are needed when we die and for everything in between. This allows government record-keeping of monstrous proportions and accommodates the thugs who would steal others' identities for evil purposes. This invasion of privacy has been compounded by the technology now available to those in government who enjoy monitoring and directing the activity of others. Loss of personal privacy was a major problem a long time before 9-11. Centralized control and regulations are required in a police state.

Community and individual State regulations are not as threatening as the monolith of rules and regulations written by Congress and the Federal bureaucracy. Law and order has been federalized in many ways, and we are moving inexorably in that direction.

Almost all our economic activities depend upon receiving the proper permits from the Federal Government. Transactions involving guns, food, medicine, smoking, drinking, hiring, firing, wages, politically correct speech, land use, fishing, hunting, buying a house, business mergers and acquisitions, selling stocks and bonds, and farming all require approval and strict regulation from our Federal Government. If this is not done properly and in a timely fashion, economic penalties and even imprisonment are likely consequences.

Because government pays for so much of our health care, it is conveniently argued that any habits or risk-taking that could harm one's health are the prerogative of the Federal Government and are to be regulated by explicit rules to keep medical care costs down. This same argument is used to require helmets for riding motorcycles and bikes. Not only do we need a license to drive, but we also need special belts, bags, buzzers, seats, and environmentally-dictated speed limits or a policeman will be pulling us over to levy a fine and he will be carrying a gun, of course.

The States do exactly as they are told by the Federal Government because they are threatened with the loss of tax dollars being returned to their

State, dollars that should never have been taken from them in the first place and sent to Washington, let alone be allowed to be used to extort obedience to a powerful central government. Over 80,000 Federal bureaucrats now carry guns to make us toe the line and to enforce the thousands of laws and tens of thousands of regulations that no one can possibly understand. We do not see the guns, but we all know they are there, and we all know we cannot fight city hall, especially if it is Uncle Sam.

All 18-year-old males must register to be ready for the next undeclared war. If they do not, men with guns will appear and enforce this congressional mandate of involuntary servitude, which was banned by the 13th amendment, but courts do not apply this prohibition to the servitude of draftees or those citizens required to follow the dictates of the IRS, especially the employers of the country who serve as the Federal Government's chief tax collectors and information-gatherers.

Fear is the tool used to intimidate most Americans to comply to the Tax Code by making examples of celebrities. Leona Helmsley and Willie Nelson know how this process works. Economic threats against business establishments are notorious. Rules and regulations from the EPA, the ADA, the SEC, the LRB, OSHA and more terrorize business owners into submission, and those charged accept their own guilt until they can prove themselves innocent. Of course, it turns out it is much more practical to admit guilt and pay the fine. This serves the interests of the authoritarians because it firmly establishes just who is in charge.

An information leak from a government agency like the FDA can make or break a company within minutes. If information is leaked, even inadvertently, a company can be destroyed and individuals involved in the revealing of government-monopolized information can be sent to prison. Each, though economic crimes, are serious offenses in the United States. Violent crimes sometimes evoke more sympathy and fewer penalties. Just look at the O.J. Simpson case as an example.

Efforts to convict Bill Gates and others like him of an economic crime are astounding, considering his contribution to economic progress, while sources used to screen out terrorist elements from our midst are tragically useless. If business people are found guilty of even the suggestion of collusion in the marketplace, huge fines and even imprisonment are likely consequences.

Price-fixing is impossible to achieve in a free market. Under today's laws, talking to or consulting with competitors can be easily construed as price-fixing and involve a serious crime even with proof that the so-called collusion never generated monopoly-controlled prices or was detrimental to consumers. Lawfully circumventing taxes, even sales taxes, can lead to serious

problems if a high profile person can be made an example.

One of the most onerous controls placed on American citizens is the control of speech through politically correct legislation. Derogatory remarks or off-color jokes are justification for firings, demotions, and destruction of political careers. The movement toward designating penalties based on a category to which victims belong rather than the nature of the crime itself has the thought police patrolling the airways and the byways.

Establishing relative rights and special penalties for subjective motivation is a dangerous trend. All our financial activities are subject to legal searches without warrants and without probable cause. Tax collection, drug usage, and possible terrorist activities justify the endless accumulation of information on all Americans. Government control of medicine has prompted the establishment of a national medical data bank. For efficiency reasons, it is said, the government keeps our medical records for our benefit. This, of course, is done with vague and useless promises that this information will always remain confidential, just like all the FBI information in the past. Personal privacy, the sine qua none of liberty, no longer exists in the United States. Ruthless and abusive use of all of this information accumulated by the government is yet to come.

The Patriot Act has given unbelievable power to listen, read, and monitor all of our transactions without a search warrant being issued after affirmation or probable cause. Sneak-and-peak and blanket searches are now becoming more frequent every day. What have we allowed to happen to the Fourth Amendment?

It may be true that the average American does not feel intimidated by the encroachment of the police state. I am sure our citizens are more tolerant of what they see as mere nuisances because they have been deluded into believing all of this government supervision is necessary and helpful and besides, they are living quite comfortably material-wise. However, the reaction will be different once all of this new legislation we are passing comes into full force and the material comforts that soften our concerns for government regulations are decreased. This attitude then will change dramatically, but the trend toward the authoritarian state will be difficult to reverse. What government gives with one hand as it attempts to provide safety and security, it must at the same time take away with two others. When the majority recognizes that the monetary costs and the results of our war against terrorism and personal freedoms are a lot less than promised, it may be too late.

I am sure all of my concerns are unconvincing to the vast majority of Americans who do not only seek, but also demand, they be made safe from any possible attack from anybody, ever. I grant you, this is a reasonable

request. The point is, though, however, there may be a much better way of doing it. We must remember we do not sit around and worry that some Canadian citizen is about to walk into New York and set off a nuclear weapon. We must come to understand the real reason is that there is a difference between the Canadians and all of our many friends and the Islamic radicals. Believe me, we are not the target because we are free and prosperous. The argument made for more government controls here at home and expansionism overseas to combat terrorism is simple and goes like this: If we are not made safe from potential terrorists, property and freedom have no meaning. It is argued that first we must have life and physical and economic security with continued abundances, and then we will talk about freedom.

It reminds me of the time I was soliciting political support from a voter and was boldly put down. "Ron," she said, "I wish you would lay off this freedom stuff. It is all nonsense. We are looking for a representative who will know how to bring home the bacon and help our area, and you are not that person." Believe me, I understand that argument, it is just that I do not agree that it is what should be motivating us here in the Congress. That is not the way it works. Freedom does not preclude security. Making security the highest priority can deny prosperity and still fail to provide the safety we all want.

□ 1830

The Congress would never agree that we are a police state. Most Members, I am sure, would argue for the negative. But we are all obligated to decide in which direction we are going. If we are moving toward a system that enhances individual liberty and justice for all, my concerns about a police state should be reduced or totally ignored; yet if by chance we are moving toward more authoritarian control than is good for us in moving toward a major war in which we should have no part, we should not ignore the dangers.

If current policies are permitting a serious challenge to our institutions that allow for our great abundance and we ignore them, we ignore them at great risk for future generations. That is why the post-9-11 analysis and subsequent legislation are crucial to the survival of those institutions that made America great.

We now are considering a major legislative proposal dealing with this dilemma, the new Department of Homeland Security; and we must decide if it truly serves the interests of America.

Since the new Department is now a foregone conclusion, why should anyone bother to record a dissent? Because it is the responsibility of all of us to speak the truth to the best of our ability; and if there are reservations about what we are doing, we should sound an alarm and warn the people of what is likely to come.

In times of crises, nearly unanimous support for government programs is usual, and the effects are instantaneous. Discovering the errors of our ways and waiting to see the unintended consequences evolve takes time and careful analysis. Reversing the bad effects is slow and tedious and fraught with danger. People would much prefer to hear platitudes than the pessimism of a flawed policy.

Understanding the real reason why we were attacked is crucial to deriving a proper response. I know of no one who does not condemn the attacks of 9-11. Disagreement as to the cause and the proper course of action should be legitimate in a free society such as ours; if not, we are not a free society.

Not only do I condemn the vicious acts of 9-11, but also out of deep philosophical and moral commitment I have pledged never to use any form of aggression to bring about social or economic changes. But I am deeply concerned about what has been done and what we are yet to do in the name of security against the threat of terrorism.

Political propagandizing is used to get all of us to toe the line and be good patriots, supporting every measure suggested by the administration. We are told that preemptive strikes, torture, military tribunals, suspension of habeas corpus, executive orders to wage war, and sacrificing privacy with a weakened fourth amendment are the minimum required to save our country from a threat of terrorism. Who is winning this war, anyway?

To get popular support for these serious violations of our traditional rule of law requires that people be kept in a state of fear. The episode of spreading undue concern about the possibility of a dirty bomb being exploded in Washington without any substantiation of an actual threat is a good example of excessive fear being generated by government officials.

To add insult to injury, when he made this outlandish announcement, our Attorney General was in Moscow. Maybe if our FBI spent more time at home, we would get more for our money we pump into this now-discredited organization. Our FBI should be gathering information here at home, and the thousands of agents overseas should return. We do not need these agents competing overseas and confusing the intelligence apparatus of the CIA or the military.

I am concerned that the excess fear created by the several hundreds of al Qaeda functionaries willing to sacrifice their lives for their demented goals is driving us to do to ourselves what the al Qaeda themselves could never do to us by force. So far, the direction is clear: we are legislating bigger and more intrusive government here at home and allowing our President to pursue much more military adventurism abroad. These pursuits are overwhelmingly supported by Members of Congress, the media, and the so-called

intellectual community, and questioned only by a small number of civil libertarians, anti-imperial antiwar advocates.

The main reason why so many usually level-headed critics of bad policy accept this massive increase in government power is clear. They, for various reasons, believe the official explanation of "why us?" The several hundreds of al Qaeda members we were told hate us because we are rich, free, and we enjoy materialism, and the purveyors of terror are jealous and envious, creating the hatred that drive their cause. They despise our Judeo-Christian values; and this, we are told, is the sole reason they are willing to die for their cause.

For this to be believed, one must also be convinced that the perpetrators lied to the world about why they attacked us. The al Qaeda leaders say they hate us because we support Western puppet regimes in Arab countries for commercial reasons and against the wishes of the populace of those countries. This partnership allows military occupation, the most confrontational being in Saudi Arabia, that offends the sense of pride and violates their religious convictions to have a foreign military power on their holy land. We refuse to consider how we might feel if China's navy occupied the Gulf of Mexico for the purpose of protecting their oil, and had air bases on U.S. territory.

We show extreme bias in support of one side in the 50-plus-year war going on in the Middle East. That is their explanation.

What if the al Qaeda is telling the truth and we ignore it? If we believe only the official line from the administration and proceed to change our whole system and undermine our constitutional rights, we may one day wake up to find that the attacks have increased the numbers of those willing to commit suicide for their cause has grown, our freedoms have diminished, and all this has contributed to making our economic problems worse.

The dollar cost of this war could turn out to be exorbitant, and the efficiency of our markets can become undermined by the compromises placed on our liberties. Sometimes it almost seems that our policies inadvertently are actually based on a desire to make ourselves less free and less prosperous, those conditions that are supposed to have prompted the attacks.

I am convinced we must pay more attention to the real cause of the attacks of last year and challenge the explanation given us. The question that one day must be answered is this: What if we had never placed our troops in Saudi Arabia, and involved ourselves in the Middle East war in an even-handed fashion? Would it have been worth it if this would have prevented 9-11?

If we avoid the truth, we will be far less well off than if we recognize that just maybe the truth lies in the statements made by the leaders of those who perpetuated the atrocities. If they

speak the truth about the real cause, changing our foreign policy from foreign military interventionism around the globe supporting an American empire would make a lot of sense. It could reduce tension, save money, preserve liberty, and preserve our economic system.

This for me is not a reactive position coming out of 9-11, but rather, an argument I have made for decades, claiming that meddling in the affairs of others is dangerous to our security and actually reduces our ability to defend ourselves.

This in no way precludes pursuing those directly responsible for the attacks and dealing with them accordingly, something that we seem to have not yet done. We hear more talk of starting a war in Iraq than in achieving victory over the international outlaws that instigated the attacks on 9-11.

Rather than pursuing war against countries that were not directly responsible for the attacks, we should consider the judicious use of mark and reprisal. I am sure that a more enlightened approach to our foreign policy will prove elusive. Financial interests of our international corporations, oil companies and banks, along with the military-industrial complex, are sure to remain a deciding influence on our policies.

Besides, even if my assessments prove to be true, any shift away from foreign militarism, like bringing our troops home, would now be construed as yielding to the terrorists. It just will not happen. This is a powerful point, and the concern that we might appear to be capitulating is legitimate. Yet, how long should we deny the truth, especially if this denial only makes us more vulnerable? Should we not demand the courage and wisdom of our leaders to do the right thing in spite of the political shortcomings?

President Kennedy faced an even greater threat in October of 1962, and from a much more powerful force. The Soviet-Cuban terrorist threat with nuclear missiles only 90 miles off our shores was wisely defused by Kennedy's capitulating and removing missiles from Turkey on the Soviet border. Kennedy deserved the praise he received for the way he handled this nuclear standoff with the Soviets.

This concession most likely prevented a nuclear exchange and proved that taking a step back from a failed policy is beneficial. Yet how one does so is crucial. The answer is to do it diplomatically. That is what diplomats are supposed to do.

Maybe there is no real desire to remove the excuse for our worldwide imperialism, especially our current new expansion into central Asia, or the domestic violations of our civil liberties. Today's conditions may well be exactly what our world commercial interests want. It is now easy for us to go into the Philippines, Colombia, Pakistan, Afghanistan, or wherever, in pursuit of terrorists. No questions are asked by

the media or the politicians, only cheers. Put in these terms, who can object? We all despise the tactics of the terrorists, so the nature of the response is not to be questioned.

A growing number of Americans are concluding that the threat we now face comes more from a consequence of our foreign policy than because the bad guys envy our freedoms and prosperity.

How many terrorist attacks have been directed toward Switzerland, Australia, Canada, or Sweden? They are also rich and free, and would be easy targets; but the Islamic fundamentalists see no purpose in doing so. There is no purpose in targeting us unless there is a political agenda, which there surely is. To deny that this political agenda exists jeopardizes the security of this country. Pretending something to be true that is not is dangerous.

It is a definite benefit for so many to recognize that our \$40 billion annual investment in intelligence-gathering prior to 9-11 was a failure. Now, a sincere desire exists to rectify these mistakes. That is good, unless instead of changing the role of the CIA and the FBI all the past mistakes are made worse by spending more money and enlarging the bureaucracy to do the very same thing without improvement in their efficiency or a change in their goals. Unfortunately, that is what is likely to happen.

One of the major shortcomings that is led to the 9-11 tragedy was the responsibility for protecting commercial airlines was left to the government: the FAA, the FBI, the CIA, and the INS. They failed. A greater sense of responsibility for the owners to provide security is what is needed. Guns in the cockpit would have most likely prevented most of the deaths that occurred on that fateful day.

But what does our government do? It firmly denies airline pilots the right to defend their planes, and we federalize the security screeners and rely on F-16s to shoot down airliners if they are hijacked. Security screeners, many barely able to speak English, spend endless hours harassing pilots, confiscating dangerous mustache scissors, mauling grandmothers and children, and pestering Al Gore, while doing nothing about the influx of aliens from Middle Eastern countries who are on designated watch lists.

We pump up the military from India and Pakistan, ignore all the warnings about Saudi Arabia, and plan a secret war against Iraq, to make sure no one starts asking, where is Osama bin Laden? We think we know where Saddam Hussein lives, so let us go get him instead.

Since our government bureaucracy failed, why not get rid of it, instead of adding to it? If we had proper respect and understood how private property owners effectively defend themselves, we could apply those rules to the airlines and achieve something worthwhile.

If our immigration policies have failed, when will we defy the politically

correct fanatics and curtail the immigration of those individuals on the highly suspect list? Instead of these changes, all we hear is that the major solution will come by establishing a huge new Federal department, the Department of Homeland Security.

According to all the pundits, we are expected to champion the big government approach; and if we do not jolly well like it, we will be tagged unpatriotic. The fear that permeates our country calls out for something to be done in response to almost daily warnings of the next attack. If it is not a real attack, then it is a theoretical one, one where the bomb could well be only in the minds of a potential terrorist.

Where is all this leading us? Are we moving toward a safer and more secure society? I think not. All the discussions of these proposed plans since 9-11 have been designed to condition the American people to accept major changes in our political system. Some of the changes being made are unnecessary, and others are outright dangerous to our way of life.

There is no need for us to be forced to choose between security and freedom. Giving up freedom does not provide greater security; preserving and better understanding freedom can. Sadly, today, many are anxious to give up freedom in response to real and generated fears.

The plans for a first strike supposedly against a potential foreign government should alarm all Americans. If we do not resist this power the President is assuming, our President, through executive order, can start a war anytime, against anyone he chooses for any reason without congressional approval.

This is a tragic usurpation of the war power by the executive branch from the legislative branch, with Congress being all too accommodating. Removing the power of the executive branch to wage war, as was done through our revolution and the writing of the Constitution, is now being casually sacrificed on the altar of security.

In a free society, and certainly in the constitutional Republic we have been given, it should never be assumed that the President alone can take it upon himself to wage war whenever he pleases. The publicly announced plan to murder Saddam Hussein in the name of our national security draws nary a whimper from Congress. Support is overwhelming, without a thought as to the legality, the morality, the constitutionality, or its practicality.

Murdering Saddam Hussein will surely generate many more fanatics ready to commit their lives to suicide attacks against us. Our CIA attempts to assassinate Castro backfired with the subsequent assassination of our President. Killing Saddam Hussein just for the sake of killing him obviously will increase the threat against us, not diminish it. It makes no sense. But our warriors argue that some day he may build a bomb, some day he might use

it, maybe against us or some unknown target.

This policy further radicalizes the Islamic fundamentalists against us because, from their viewpoint, our policy is driven by Israel, not U.S. security interests.

□ 1845

Planned assassination, a preemptive strike policy without proof of any threat and a vague definition of terrorism may work for us as long as we are king of the hill; but one must assume every other nation will naturally use our definition of policy as justification for dealing with their neighbors. India can justify a first strike against Pakistan, China against India or Taiwan as other examples. This new policy, if carried through, will make the world a lot less safe.

This new doctrine is based on proving a negative which is something impossible to do, especially when we are dealing with a subjective interpretation of plans buried in someone's head. To those who suggest a more restrained approach on Iraq and killing Saddam Hussein, the war hawks retort saying, Prove to me that Saddam Hussein might not do something some day directly harmful to the United States. Since no one can prove this, the war mongers shout, let us march to Baghdad.

We can all agree that aggression should be met with force and that providing national security is an ominous responsibility that falls on the shoulders of Congress. But avoiding useless and unjustifiable wars that threaten our whole system of government and security seems to be the more prudent thing to do.

Since September 11, Congress has responded with a massive barrage of legislation not seen since Roosevelt took over in 1933. Where Roosevelt dealt with trying to provide economic security, today's legislation deals with personal security from any and all imaginable threat at any cost, dollar or freedom loss. These include the PATRIOT Act, which undermines the fourth amendment with the establishment of an overly-broad and dangerous definition of terrorism; the Financial Anti-terrorism Act, which expands the government's surveillance of the financial transactions of all American citizens through the increased power of FinCen and puts back on track the plans to impose "Know our customer" regulations on all Americans.

The airline bail-out bill gave \$15 billion rushed through shortly after September 11. The federalization of all airlines security employees, military tribunals set up by executive orders, undermining the rights of those accused, rights established as far back as 1215. Unlimited retention of suspects without charges being made even when a crime has not been committed, a serious precedent that one day may well be abused. Relaxation of FBI surveillance guidelines of all political activity.

Functioning of the Federal Government authority and essentially monopolizing vaccines and treatment for infectious diseases, permitting massive quarantines and mandates for vaccinations.

Almost all significant legislation since 9-11 has been rushed through in a tone of urgency with reference to the tragedy including the \$190 billion farm bill. Guarantees to all insurance companies are now moving quickly through the Congress. Increasing the billions already flowing into foreign aid is now being planned as our intervention overseas continue to expand.

There is no reason to believe that the massive increase in spending, both domestic and foreign, along with the massive expansion of the size of the Federal Government will slow any time soon. The deficit is exploding as the economy weakens. When the government sector drains the resources needed for capital expansion, it contributes to the loss of confidence needed for growth, allowing the economy to function.

Even without evidence that any good has come from this massive expansion of government power, Congress is in the process of establishing this huge new Department of Homeland Security, hoping miraculously through centralization to make all of these efforts productive and worthwhile. There is no evidence, however, that government bureaucracy and huge funding can solve our Nation's problem. The likelihood is that the unintended consequences of this new proposal will be to diminish our security and do nothing to enhance our security.

Opposing currently proposed legislation and recently passed legislation does not mean that one is complacent about terrorism or homeland security. The truth is that there are alternative solutions to these problems we face without resorting to expanding the size and scope of government at the expense of liberty.

As tempting as it may seem, a government is incapable of preventing crimes. On occasion with luck they might succeed. But the failure to tip us off about 9-11 after spending \$40 billion a year on intelligence-gathering should surprise no one. Governments by nature are very inefficient institutions. We must accept that as fact.

I am sure that our intelligence agency had the information available to head off 9-11, but bureaucratic blundering and turf wars prevented the information from being useful. But the basic principle is wrong. City policeman cannot and should not be expected to try to prevent crimes. This would invite massive intrusions into the everyday activities of every law-abiding citizen. But that is exactly what our recent legislation is doing. It is a wrongheaded approach, no matter how wonderful it may sound. The policemen in the inner cities patrol their beats, but crime is still rampant.

In the rural areas of America, literally millions of citizens are safe and

secure in their homes though miles from any police protection. They are safe because even the advantage of isolation does not entice the burglar to rob a house when he knows a shotgun sits inside the door waiting to be used. But this is a right denied many of our citizens living in the inner city.

The whole idea of government preventing crime is dangerous. To prevent crimes in our homes or businesses, governments would need cameras to spy on every move to check for illegal drug use, wife-beating, child abuse or tax evasion. They would need cameras not only on our streets and in our homes; but our phones, Internet, and travels would need to be constantly monitored just to make sure we are not a terrorist, drug dealer, or tax evader.

This is the assumption used at the airports, rather than using privately owned airlines to profile their passengers to assure the safety for which airline owners ought to assume responsibility. But, of course, this would mean guns in the cockpit. I am certain this approach to safety and security would be far superior to the rules that existed prior to 9-11 and now have been made much worse in the past 9 months.

This method of providing security emphasizes private property ownership and responsibility of the owners to protect that property, but the right to bear arms must be included. The fact that the administration is opposed to guns in the cockpits and the fact that airline owners are more interested in bailouts and insurance protection means that we are just digging a bigger hole for ourselves, ignoring liberty and expanding the government to provide something it is not capable of doing.

Because of this, in combination with a foreign policy that generates more hatred towards us and multiplies the number of terrorists that seek vengeance, I am deeply concerned that Washington's effort so far, sadly, have only made us more vulnerable. I am convinced that the newly proposed Department of Homeland Security will do nothing to make us more secure, but it will make us a lot poorer and less free. If the trend continues, the Department of Homeland Security may well be the vehicle used for a much more ruthless control of the people by some future administration than any of us dreamed. Let us pray that this concern will never materialize.

America is not now a ruthless authoritarian police state, but our concerns ought to be whether we have laid the foundation of a more docile police state. The love of liberty has been so diminished that we tolerate intrusions into our privacy today that would have been abhorred just a few years ago. Tolerance of inconvenience to our liberties is not uncommon when both personal and economic fears persist. The sacrifices being made to our liberties will surely usher in a system of government that will place only those who enjoy being in charge of running other peoples lives.

What then is the answer? Is America a police state? My answer is maybe, not yet. But it is fast approaching. The seeds have been sown and many of our basic protections against tyranny have been and are constantly being undermined. The post-9-11 atmosphere here in Congress has provided ample excuse to concentrate on safety at the expense of liberty, failing to recognize that we cannot have one without the other.

When the government keeps detailed records on every move we make and we either need advanced permission for everything we do or are penalized for not knowing what the rules are, America will be a declared police state. Personal privacy for law-abiding citizens will be a thing of the past. Enforcement of laws against economic and political crimes will exceed that of violent crimes. War will be the prerogative of the administration. Civil liberties will be suspended for suspects and their prosecution will not be carried out by an independent judiciary. In a police state this becomes common practice rather than a rare incident.

Some argue that we already live in a police state and Congress does not have the foggiest notion of what we are dealing with. So forget it and use your energies for your own survival, some advise. And they advise also that the momentum toward the monolithic state cannot be reversed.

Possibly that is true. But I am optimistic that if we do the right thing and do not capitulate to popular fallacies and fancies and the incessant war propaganda, the onslaught of statism can be reversed. To do so, we as a people once again have to dedicate ourselves to establishing the proper role a government plays in a free society. That does not involve the redistribution of wealth through force. It does not mean that government dictates to us the moral and religious standards of the people. It does not allow us to police the world by involving ourselves in every conflict as if it is our responsibility to manage an American world empire. But it does mean government has a proper role in guaranteeing free markets, protecting voluntary and religious choices and guaranteeing private property ownership while punishing those who violate these rules, whether foreign or domestic.

In a free society, the government's job is simply to protect liberty. The people do the rest. Let us not give up a grand experiment that provided so much for so many. Let us reject the police state.

PROTECTING AMERICANS FROM POLLUTION

The SPEAKER pro tempore (Mr. SIMMONS). Under the Speaker's announced policy of January 3, 2001, the gentleman from Oregon (Mr. BLUMENAUER) is recognized for 60 minutes as the designee of the minority leader.

Mr. BLUMENAUER. Mr. Speaker, ultimately the Federal Government has

an important responsibility to protect the quality of life for our citizens. My sense is that it is important for us to promote liveable communities where the Federal Government is a partner to help make our families safe, healthy, and more economically secure.

Unfortunately, when it comes to dealing with hazardous waste, we, as a Federal Government, have failed to follow through on our commitment. This is very serious business for most Americans. I, in the State of Oregon, have eleven Superfund sites. One in four Americans live within 4 miles of a Superfund site. Ten million American children live within a short bicycle ride of a Superfund site. These are areas, some 1,200 priority sites around the country, many of which are polluted by hazardous chemicals known to cause cancer, heart disease, kidney failure, birth defects and brain damage.

There has been a very simple principle at work for over 20 years as far as the Federal Government is concerned, and that is that corporations, businesses that have been involved with serious pollution should clean up after themselves. If they are responsible for the environmental damage and the public health threats, they should be held financially accountable for their contaminated sites and should help keep them up.

The law that we put in place in 1980 is based on this "polluter pays" principle. When the companies that are responsible for this pollution and the public health threats are unable to clean up after themselves, then the Federal Government steps in. And that part of that same legislation created the Superfund site, created a Superfund itself, that was to be supplied with money from a special tax on oil and chemical companies who, by and large, have been responsible for much of this pollution.

The money from the tax was placed in a trust fund, the so-called Superfund, and designated for cleaning up polluted sites where the responsible party either could not pay or we were unable to identify them.

Unfortunately, the tax that provides the Environmental Protection Agency with the funds to clean up these abandoned sites expired in 1995. Part of the Gingrich revolution was simply a refusal to reenact the tax, despite the fact that every Congress and every President since its original enactment was supportive of that effort.

Now, originally when they have refused to renew the tax in 1995, it was not an immediate disaster because over the years money had accumulated in the trust fund; and, indeed, at the time of the tax termination there was over \$3.5 billion in 1996. But now that fund has dwindled from \$3.8 billion down to a projected \$28 million next year.

This leaves us with three stark choices. We either reinstate the tax, we dramatically reduce our clean up efforts, or we force the taxpayers to pick up the tab from already strained budg-

ets. The Federal Government now, as we know, is hemorrhaging red ink. We have gone from last year being concerned that we were somehow going to pay off the national debt too quickly, to a point where we are going to be borrowing over a trillion and a half dollars from the Social Security fund.

□ 1900

Sadly, the administration has chosen to abandon the notion of renewing the Superfund tax. It has chosen instead to slash the cleanup funding and to rely for what money will be available from the general fund. This is part of a pattern from this administration that is unsettling.

In its first year, the Bush administration decreased the pace of cleanups by almost 45 percent, from an average of 87 sites per year in President Clinton's second term. It originally projected this year, the administration predicted that it would clean up 65 sites this year, but now that number will be only 40.

Last month, the administration announced that it would be cutting funding for cleanup at 33 sites in 19 States. In addition to zeroing out the funding for these 33 sites altogether, it is severely underfunding sites of existing projects. We have two of them that I am following closely in Oregon, McCormick and Baxter creosote plant in Portland on the banks of the Willamette River, and a site designated Northwest Pipe and Casting Process Company, which is an area that is near a number of well areas and that drains into the Clackamas River which drains into that same Willamette River.

I must say that I am rather frustrated at this attitude we have at this point. During the last presidential election, we had the candidates, both Mr. Bush and Mr. Gore, talking a good fight about being able to be forward protecting on the environment. Now when we have a chance to put it into action, we are not seeing the performance.

It does not have to be that way. When we get a chance to work together, good things can happen. Earlier this Congress was able to work with the administration in a bipartisan fashion to deal with cleanup of brownfields, and we made some significant progress. These are the properties that are idle due to actual or potential contamination by hazardous substances and pollutants, by and large in our urban areas. We have an estimate of almost a half million of these brownfields sites nationally.

We found that by moving to restore the environmental health of these sites it is an effective way to revitalize neighborhoods and in some cases an entire city. It can help communities become more livable in a number of ways. It improves the environment by cleaning up the toxic contaminants and preventing their spread and contamination and potential disease-causing aspects, side effects for individuals. The